

do the classroom part of NFTE," he recalled. "But after I started the program, I found it interesting and realized I could actually set the T-shirts I designed," he said.

He is the founder of "East-Side Kutz," a mobile hair cutter. He exudes the savvy business style of a fortune 500 executive and extends a firm and confident hand. It's hard to believe he's only 16 years old.

"The business keeps my head straight and I have learned how to be financially stable," he said. He is already planning to further his business education at Babson College in Wellesley, Mass.

Other graduates continue to hone their business skills through NFTE's follow-up program in the participating schools, which sponsor an entrepreneurs club and a school store.

Students can also call NFTE for legal, accounting or other business advice.

The follow-up program has helped Regina Jackson, 13, find the best way to keep her costs low. The 13-year-old jewelry designer said she can double her profits by buying wholesale beads and materials for her original pieces.

Her grandmother, Mary Jackson, said NFTE taught her granddaughter independence and how to handle money. "She even helped her uncle write a business plan for his car wash," Mrs. Jackson said.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

[Mrs. COLLINS of Illinois addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. RIGGS] is recognized for 5 minutes.

[Mr. RIGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 5 minutes.

[Mr. LIPINSKI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

#### FIXING MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. KNOLLENBERG] is recognized for 5 minutes.

Mr. KNOLLENBERG. Mr. Speaker, the American people are way ahead of Congress in knowing what is wrong and right with the Medicare system. I appreciate this opportunity to share with the body just one example of the disturbing waste that occurs in our Medicare bureaucracy. I first heard this story last week when it aired on WJBK-TV2 in Detroit during a segment called the "Hall of Shame."

Mrs. Jean English, while going through the mail of her recently deceased brother, found a bill for his last

hospital stay. Her brother, suffering from a terminal illness, died only a few days after being admitted.

The bill for the 4-day period came to \$368,511.09. All of it had been forwarded to Medicare for payment. Shocked by the outrageous expense, Mrs. English called the hospital for an explanation. What she got was a 14-page itemized statement. And the greatest expense? \$342,982.01 for emergency room supplies for a 7-hour stay in the ER.

Well, after much hemming and hawing, the hospital admitted that it had made a mistake.

Oops. Instead of \$347,982.01, the actual charge should have been \$61.30. That is right \$61.30. An overcharge of \$347,920.71! The problem was found.

End of story? Hardly. The errant bill had been sent to Medicare and paid by Medicare. That is right—they paid the bill. Now Jean found the mistake—a bill for \$350,000 seemed a little excessive to her. Didn't the people at Medicare notice that supplies for the ER had become a little expensive?

Well, in all fairness, Medicare's computer noticed the problem—sort of. The bill total seemed large so Medicare cut it by 70 percent paying the hospital \$67,000. But the actual cost of care was only \$25,000. Medicare found the problem and still overpaid by \$50,000. And Medicare claims this system works?

And when this was brought to the attention of the folks over at Medicare they said, and I quote, "This case shows . . . that the Medicare system worked as expected." If the system is expected to work like this no wonder it will be bankrupt in 7 years.

When Medicare determined the bill was in error why didn't they look at the items to find the mistake? After all, \$350,000 for supplies seemed unreasonable to Jean. Don't the people working for Medicare notice a charge of \$350,000 for supplies? Or is this happening all the time? "Close enough for government work" is an old adage that seems to be true here.

And why, Mr. Speaker, does Medicare arbitrarily cut 70 percent off if the bill seems in error? According to its own statement this is how the problem was fixed. "When the bill was received from the hospital, the system automatically reduced it by more than 70 percent." It may sound like a solution but the example here shows why this kind of logic is helping to bankrupt the Medicare system.

The actual charge for the supplies should have been \$61.30. That's only .0002 percent of what Medicare was charged. And Medicare paid 30 percent of the full charge—\$67,000—resulting in a huge overpayment. How hard is it to look at a bill that has already set off the alarms as being incorrect and find exactly what isn't right?

I am disturbed that Medicare seems to believe that just cutting the total amount paid addressed the problem. Now maybe I am too naive but I believe the system should fix its mistakes not just automatically cut a bill by 70 per-

cent. Shouldn't the details of the bill be looked at? Are all bills automatically cut by 70 percent?

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This system makes no sense. If we are to save Medicare from bankruptcy we must find the solutions to problems like this. I stand here today because I know this story is not unique. Jean English found the mistake and brought it to our attention. But how many errant bills go unnoticed? And at what cost to the system and our seniors.

Let us work together with the American people to stop waste in the system. Let us fix the problem and save Medicare before it gets too late.

#### THE ADARAND DECISION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE. Mr. Speaker, I am responding, I believe, to what has been over the last 24 hours for many of us a deadening silence.

The good news is that let me welcome those who have come to the White House Council on Small Business, the first time since 1960, having the opportunity to interact with many of those delegates and seeing the enthusiasm they now express in terms of the many issues of small business in this Nation. They have come to emphasize the importance of their contribution to the economic life of this country. They have likewise made a very strong point of how diverse the small business community is, including women and Hispanics, African-Americans, Asians, and others who have found the American dream through small business.

Particularly the delegation from Texas cited their concern and their desire for a bipartisan effort in treating some of the many concerns that small businesses have, whether or not it has to do with a one-stop facility to engage or facilitate their access to Government agencies, which I support and welcome the first U.S. general store that will be sited in the city of Houston to be in the 18th Congressional District. Certainly they have talked about Government regulation.

But one of the things that caused the deadening silence and what also brought me a great deal of joy to hear a bipartisan approach from the small business owners, was the decision by the Supreme Court on Adarand that was rendered yesterday, on June 12, 1995. If one would take a look at the headlines of national newspapers across this Nation, it seemed that there was further joy from editors and writers to claim affirmative action dead. How positive it was, however, to her from these small business owners and to realize the energy that was fostered at their sessions today when they came together and resoundingly supported opportunity for all.

Contrary to the spin that is being put on this ruling of Adarand, this particular decision does not dismantle Federal affirmative action programs. In fact, what it does is it throws us back to Crowson, a case that was rendered a number of years ago, and many local and State governments have already proceeded under, which requires a disparity study on affirming the fact frankly that racism still exists in this Nation. It does require a strict scrutiny test, one that causes one to look more closely at the kind of program that might be offered. In fact, I think the precise language might read that it requires a more searching examination.

Then, of course, it talks about the equal protection clause. But the real danger that we face as the Adarand decision continues to be editorialized and spoken about is those that would raise it up as a new day in America. I thought that we were a Nation of equals and those who would offer to help individuals who have yet to face and receive equal opportunity and the American dream. And yet we find those who are poised for the election in 1996, we find my Republican colleagues, all claiming in the name of Dr. Martin Luther King and the dream that they too believe in equal opportunity.

I would ask a simple question, even though these are private sector preferences, where are they when universities prefer those with athletic talents and give athletic scholarships? Where are they when the ivy league schools select the children of alumni to be admitted into their institution? Where are they when schools are out looking for musicians or people who can stand on their head and balance balls three times? Those are preferences.

But let me share with you, there are no quotas and preferences. They were made illegal some years ago. There are goals, of which we aspire to, and someone had the gall, if you will, to suggest the 10-percent set-aside locks in the Federal Government and discriminates against those who cannot comply under those particular set-asides.

I am here to tell you that the set-asides may be 10 percent, but the actuality may be barely 1 percent in terms of minority businesses and women businesses who are receiving contracts under several programs under the Federal Government.

I, too, stand here welcoming the diversity of this Nation, but as well the equality of this Nation. I would simply say that it is time now, Mr. Speaker, not to run away from this issue of equality and diversity. Look at the Adarand decision as it has been presented to us simply as a hurdle to cross, and not a death knell, an elimination for opportunity for all of our citizens.

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from South Carolina [Mr. GRAHAM] is recognized for 5 minutes.

[Mr. GRAHAM addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

#### COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING CURRENT LEVELS OF SPENDING AND REVENUES FOR FISCAL YEARS 1995-1999

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. KASICH] is recognized for 5 minutes.

Mr. KASICH. Mr. Speaker, on behalf of the Committee on the Budget and pursuant to sections 302 and 311 of the Congressional Budget Act, I am submitting for printing in the CONGRESSIONAL RECORD an updated report on the current levels of on-budget spending and revenues for fiscal year 1995 and for the 5-year fiscal year 1995 through fiscal year 1999.

This report is to be used in applying the fiscal year 1995 budget resolution (H. Con. Res. 218), for legislation having spending or revenue effects in fiscal year 1995 through 1999:

COMMITTEE ON THE BUDGET  
Washington, DC, June 8, 1995.

Hon. NEWT GINGRICH,  
Speaker, House of Representatives,  
Washington, DC.

DEAR MR. SPEAKER: To facilitate application of sections 302 and 311 of the Congressional Budget Act, I am transmitting a status report on the current levels of on-budget spending and revenues for fiscal year 1995 and for the 5-year period fiscal year 1995 through fiscal year 1999.

The term "current level" refers to the amounts of spending and revenues estimated for each fiscal year based on laws enacted or awaiting the President's signature as of June 7, 1995.

The first table in the report compares the current level of total budget authority, outlays, and revenues with the aggregate levels set by H. Con. Res. 218, the concurrent resolution on the budget for fiscal year 1995. This comparison is needed to implement section 311(a) of the Budget Act, which creates a point of order against measures that would breach the budget resolution's aggregate levels. The table does not show budget authority and outlays for years after fiscal year 1995 because appropriations for those years have not yet been considered.

The second table compares the current levels of budget authority, outlays, and new entitlement authority of each direct spending committee with the "section 602(a)" allocations for discretionary action made under H. Con. Res. 218 for fiscal year 1995 and for fiscal years 1995 through 1999. "Discretionary action" refers to legislation enacted after adoption of the budget resolution. This comparison is needed to implement section 302(f) of the Budget Act, which creates a point of order against measures that would breach the section 602(a) discretionary action allocation of new budget authority or entitlement authority for the committee that reported the measure. It is also needed to implement section 311(b), which exempts committees that comply with their allocations from the point of order under section 311(a).

The section 602(a) allocations printed in the conference report on H. Con. Res. 218 (H. Rept. 103-490) were revised to reflect the changes in committee jurisdiction as specified in the Rules of the House of Representatives adopted on January 4, 1995.

The third table compares the current levels of discretionary appropriations for fiscal year 1995 with the revised "section 602(b)" suballocations of discretionary budget authority and outlays among Appropriations subcommittees. This comparison is also needed to implement section 302(f) of the Budget Act, since the point of order under that section also applies to measures that would breach the applicable section 602(b) suballocation. The revised section 602(b) suballocations were filed by the Appropriations Committee on September 21, 1994.

The aggregate appropriate levels and allocations reflect the adjustments required by section 25 of H. Con. Res. 218 relating to additional funding for the Internal Revenue Service compliance initiative.

Sincerely,

JOHN R. KASICH, *Chairman.*

Enclosures.

REPORT TO THE SPEAKER FROM THE COMMITTEE ON THE BUDGET

STATUS OF THE FISCAL YEAR 1995 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 218—REFLECTING ACTION Completed as of June 7, 1995

[On-budget amounts, in millions of dollars]

	Fiscal year	
	1995	1995-1999
Appropriate Level (as set by H. Con. Res. 218):		
Budget authority .....	\$1,238,705	\$6,892,705
Outlays .....	1,217,605	6,676,805
Revenues .....	977,700	5,415,200
Current Level:		
Budget authority .....	1,233,103	( <sup>1</sup> )
Outlays .....	1,216,173	( <sup>1</sup> )
Revenues .....	978,218	( <sup>1</sup> )
Current Level over (+)/under (-) Appropriate Level:		
Budget authority .....	-5,602	( <sup>1</sup> )
Outlays .....	-1,432	( <sup>1</sup> )
Revenues .....	518	-31,643

<sup>1</sup> Not applicable because annual appropriations Acts for Fiscal Years 1997 through 1999 will not be considered until future sessions of Congress.

#### BUDGET AUTHORITY

Enactment of measures providing more than \$5.602 billion in new budget authority for FY 1995 (if not already included in the current level estimate) would cause FY 1995 budget authority to exceed the appropriate level set by H. Con. Res. 218.

#### OUTLAYS

Enactment of measures providing new budget or entitlement authority that would increase FY 1995 outlays by more than \$1.432 billion (if not already included in the current level estimate) would cause FY 1995 outlays to exceed the appropriate level set by H. Con. Res. 218.

#### REVENUES

Enactment of any measures producing any net revenue loss of more than \$518 million in FY 1995 (if not already included in the current level estimate) would cause FY 1995 revenues to fall below the appropriate level set by H. Con. Res. 218.

Enactment of any measure producing any net revenue loss for the period FY 1995 through FY 1999 (if not already included in the current level estimate) would cause revenues for that period to fall further below the appropriate level set by H. Con. Res. 218.